

**Canadian Radio-television and
Telecommunications Commission**

2009–2010

Report on Plans and Priorities

The Honourable James Moore, P.C., M.P.
Minister of Canadian Heritage and Official Languages

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Minister of Canadian Heritage
and Official Languages



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Ottawa, Canada K1A 0M5



The Canadian Heritage portfolio gives Canadians the opportunity to participate in society, to achieve their full potential, and to celebrate their heritage and their culture. As a departmental agency, the Canadian Radio-television and Telecommunications Commission (CRTC) is working to achieve this goal.

The communications industry is an important part of the everyday lives of Canadians. It showcases Canada and the best the world has to offer through diverse programming choices, world-class audiovisual production services, and access to a multitude of distribution platforms. During these uncertain times, the Government of Canada wants to ensure that Canadians continue to enjoy diverse Canadian content choices. We must ensure that our portfolio organizations, such as the CRTC, remain accountable and that taxpayer dollars are well spent. We must all harness the opportunities that new technologies provide to refresh our approach to arts and culture and meet the changing needs of Canadians.

Today's digital world presents increasingly complex challenges that require creative solutions. In the coming year, the CRTC will explore the opportunities offered by new technologies to broadcast Canadian programming and provide quality telecommunications services. The CRTC also intends to work with the broadcasting industry to prepare for the transition to digital transmission in Canada. It will be important to develop strategies to ensure that all Canadians have access to the conventional broadcasting services they currently enjoy.

As Minister of Canadian Heritage and Official Languages, I invite you to read the *Report on Plans and Priorities* for 2009–2010 prepared by the CRTC. This report shows the CRTC's commitment to ensuring that the creativity and innovation of Canadian society contribute not only to our cultural vitality, but also to our future.

The Honourable James Moore
Canada



I am pleased to present the Canadian Radio-television and Telecommunications Commission's (CRTC's) *Report on Plans and Priorities* (RPP) for 2009–2010. I would like to highlight four activities that demonstrate how the CRTC will support a strong communications industry.

First, the CRTC will hold public hearings to renew the licences of conventional, specialty and pay television services. This exercise will provide us with an opportunity to discuss many issues with Canada's broadcasters, including their plans for conventional television's transition from analog to digital transmission. In setting the terms and conditions for the new licences, the CRTC will ensure that these services reflect Canada's cultural diversity and that programming in both official languages is available to all Canadians.

Secondly, we will conclude our proceeding on broadcasting in the new media environment and publish our findings. We held a hearing in February 2009 to gain a better understanding of Canada's participation in this environment and its impact on the traditional broadcasting system. We are also evaluating whether the CRTC's current approach, which consists of exempting new media and mobile broadcasting services from regulation, remains appropriate.

Thirdly, the CRTC will undertake a major proceeding on the Internet traffic management practices that are currently employed in the retail and wholesale markets, as well as those that could be adopted in the future. Canadian Internet service providers use different approaches to manage the traffic on their networks. Our proceeding will address key issues such as the practices that are acceptable under the *Telecommunications Act* and the criteria that should be used in the event that specific practices need to be authorized.

Finally, we will ensure telemarketers comply with the National Do Not Call List rules. The list was welcomed by Canadians, who registered nearly five million telephone numbers in the 60 days following its launch on September 30, 2008. This service is designed to help Canadians protect their privacy by reducing the number of unwanted telemarketing calls and faxes they receive.

I expect that the year ahead will hold many challenges for both the communications industry and the CRTC, particularly as we contend with the evolution of convergence in the midst of economic uncertainty. The CRTC is committed to exercising fiscal prudence in carrying out its mandate. At the same time, we will continue to reduce or remove regulations where possible and help to resolve competitive disputes as they arise.

Konrad von Finckenstein, Q.C.
Chairman of the Canadian Radio-television and Telecommunications Commission

Section I – Commission Overview

1.1 Summary Information

1.1.1 Raison d'être

The Canadian Radio-television and Telecommunications Commission was established to sustain and promote Canadian culture and achieve key social and economic objectives.

1.1.2 Responsibilities

The CRTC fulfils its mandate by regulating and supervising Canadian broadcasting and telecommunications in the public interest. The CRTC is governed by the *Broadcasting Act* of 1991 and the *Telecommunications Act* of 1993.

The *Broadcasting Act* seeks to ensure, among other things, that Canadians are provided with a predominance of Canadian content and have full access to the broadcasting system, as participants and as audiences.

The *Telecommunications Act* seeks to ensure, among other things, that increased reliance on market forces for the provision of telecommunications services is fostered, that regulation, where required, is efficient and effective, and that Canadians have access to reliable telephone and telecommunications services at reasonable prices.

The CRTC is an independent public authority and reports to Parliament through the Minister of Canadian Heritage and Official Languages.

The CRTC's mandate is to serve the public interest by maintaining a balance between the cultural, social and economic goals of the legislation on broadcasting and telecommunications, taking into account the wants and needs of Canadian citizens, industries and various interest groups.

1.1.3 CRTC Strategic Outcome

The CRTC will fulfill its mandate by achieving the following strategic outcome:

S.O. 1 Canadians have access to a wide variety of high-quality, Canadian-produced programming, and to reliable, affordable and high-quality telecommunication services.

1.1.4 CRTC Program Activity Architecture

S.O. 1 Canadians have access to a wide variety of high-quality, Canadian-produced programming, and to reliable, affordable and high-quality telecommunication services.

P.A. 1.1 Canadian Broadcasting

P.A. 1.2 Canadian Telecommunications

S.O. 2 The following program activity supports all strategic outcomes within the CRTC.

P.A. 2.1 Internal Services

1.2 Planning Summary

1.2.1 Financial Resources

Financial Resources (\$ millions)		
2009-2010	2010-2011	2011-2012
46.0	46.2	46.2

1.2.2 Human Resources

Human Resources (Full-Time Equivalent—FTE)		
2009-2010	2010-2011	2011-2012
425	425	425

1.2.3 RPP Summary Table

Canadian Broadcasting						
Strategic outcome 1 (S.O. 1)	Canadians have access to a wide variety of high-quality, Canadian-produced programming, and to reliable, affordable and high-quality telecommunication services.					
Performance Indicators			Targets			
1. Diversity within the broadcasting system is reflected in the ownership of undertakings, the availability of programming genres and the language of broadcast.			Maintain the current levels of diversity as measured in the CRTC <i>Communications Monitoring Report</i> .			
2. The number of applications received, the number of proceedings initiated by the CRTC, the number of interventions filed with the Commission and the number of Canadian broadcasting services licensed as a result of the proceedings.			Increase the number of proceedings for new services by 10 per cent.			
Program Activity	Expected Results	Forecast Spending 2008-2009	Planned Spending (in million \$)			Alignment to Government of Canada Strategic Outcomes
			2009-2010	2010-2011	2011-2012	
Canadian Broadcasting	- The Canadian broadcasting system is composed of a variety of voices that display Canada's linguistic and cultural diversity. - Canadians have access to the broadcasting system as licensees of new services, as audiences for high-quality programming and as participants in Commission proceedings.	30.3*	16.7	16.7	16.7	A vibrant Canadian culture and heritage.
Total		30.3	16.7	16.7	16.7	

*Includes allocated costs from Internal Services, temporary funding and operating budget carry forward.

<i>Canadian Telecommunications</i>						
Strategic outcome 1 (S.O. 1)		Canadians have access to a wide variety of high-quality, Canadian-produced programming, and to reliable, affordable and high-quality telecommunication services.				
Performance Indicator			Targets			
3. The percentage of Canadians who have access to wireline and wireless services, the average percentage increase in Primary Exchange Service rates for a given year and the number of complaints the Commission receives regarding quality-of-service issues.			Ensure that the proposed rates for telephone service and other telecommunications services submitted by the major service providers meet pricing constraints imposed by the Commission, limited to the rate of inflation. Monitor quality-of-service indicators to ensure that the telecommunications service providers deliver high-quality services. Ensure there is no increase in the number of quality-of-service complaints.			
4. Various statistics on the telecommunications market, such as wireline telecommunications revenue market share by type of service provider (percent) and total telecommunications revenues by type of service provider (dollars).			The CRTC's target is to remove regulatory obstacles to maximize the reliance on market forces and to foster an efficient and competitive market. The Commission will regulate the industry only in cases where the market fails to fulfill the <i>Telecommunication Act's</i> objective. Historically, competitor revenue growth has been approximately two per cent per year. The Commission's target is for the continuation of this trend.			
Program Activity	Expected Results	Forecast Spending 2008-2009	Planned Spending (\$ millions)			Alignment to Government of Canada Strategic Outcomes
			2009-2010	2010-2011	2011-2012	
Canadian Telecommunications	- Ensure that Canadians have access to reliable telephone and other high-quality telecommunications services at just and reasonable rates while at the same time providing the service providers with incentives to operate more efficiently and to be more innovative in the provision of services. - Implementation of the policy objectives of the <i>Telecommunications Act</i> through an increased reliance on market forces.	26.5*	13.4	13.5	13.5	A fair and competitive marketplace.
Total		26.5	13.4	13.5	13.5	

*Includes allocated costs from Internal Services.

<i>Internal Services</i>						
Strategic outcome 1 (S.O. 1)		Canadians have access to a wide variety of high-quality, Canadian-produced programming, and to reliable, affordable and high-quality telecommunication services.				
Program Activity	Expected Results	Forecast Spending 2008-2009	Planned Spending (\$ millions)			Alignment to Government of Canada Strategic Outcomes
			2009-2010	2010-2011	2011-2012	
2.1 Internal Services ¹		Note	15.9	16.0	16.0	No data required for this year.
Total			15.9	16.0	16.0	

Note: In 2008-09 Internal Services costs were allocated to Broadcasting and Telecommunications activities.

¹ Internal Services is a new program activity for all federal organizations. The strategic outcomes, performance indicators and targets have not yet been developed for Management, Resources and Results Structure.

1.2.4 Contribution of Priorities to Strategic Outcome

The CRTC will achieve its strategic outcome by focusing on operational priorities for its program activities and management priorities.

1.2.4.1 Operational priorities – Canadian Broadcasting

<i>Program Activity: Canadian Broadcasting</i>			
Operational Priority	Type	Links to Strategic Outcome	Description
Digital transition	On-going	S.O. 1	The Commission is working with the industry to ensure that over-the-air broadcasters are prepared to transition from analog to digital transmission ahead of the August 31, 2011, analog shut-off date.
Implementation of the broadcasting distribution undertakings decision	On-going	S.O. 1	- The Commission introduced new policies to ensure that the Canadian broadcasting industry, including cable and satellite companies, is prepared to transition to a fully digital environment. - The Commission will simplify its regulations to foster a more coherent and standardized broadcasting system. The majority of change will come into effect on August 31, 2011.
New media	New	S.O. 1	- The Commission has embarked on a proceeding that will examine the role of broadcasting in the new media environment and this environment's expected contribution to Canada's broadcasting system. - Following a public hearing, the Commission will release its determinations in 2009.
Emerging artists	On-going	S.O. 1	- In its 2006 Commercial Radio Policy, the Commission concluded that radio broadcasters should commit to broadcasting a greater selection of emerging Canadian artists. - Following a public process, the Commission will announce a definition of the term "emerging artist" during the winter of 2009.
Private conventional TV licence renewals	New	S.O. 1	In spring 2009, the Commission will launch the licence-renewal process for major private conventional television groups. The process will allow for a discussion on transition strategies to digital and high-definition television, and the implementation of social policies such as closed captioning and described video.
CBC/SRC licence renewals	New	S.O. 1	In the fall of 2009, the Commission will initiate and complete the licence-renewal process for the CBC/SRC radio and television licences. The process will allow a discussion of the following key issues: programming strategies that support the mandate and role of the CBC/SRC, local and regional programming, transition to digital and high-definition television, and CBC/SRC's leadership role with respect to social issues.
Social policy direction	New	S.O. 1	- The Commission will implement outcomes of recent public consultations on improving accessibility of broadcasting and telecommunications services to persons with disabilities. - The Commission will review progress with respect to improving representation and reflection of linguistic and visible minorities, Aboriginal peoples and persons with disabilities on television during licence renewals of English- and French-language over-the-air television broadcasters.
	On-going		
Convergence policy	On-going	S.O. 1	- The Commission will continue to monitor the effects of corporate, technological and consumer convergence in the Canadian communications sector. - As the industry moves toward convergence, the Commission will research the feasibility of enhancing its regulatory framework to adapt to the convergence in the Canadian communications industry and support further competition.

1.2.4.2 Operational priorities – Canadian Telecommunications

<i>Program Activity: Canadian Telecommunications</i>			
Operational Priority	Type	Links to Strategic Outcome	Description
National DNCL	On-going	S.O. 1	- On September 30, 2008, the Commission launched the National Do Not Call List (DNCL) to reduce the number of unsolicited telecommunications Canadians receive. - As of December 2008, more than five million telephone numbers have been registered on the National DNCL. - In the coming year, the Commission will investigate telemarketing complaints and enforce the Unsolicited Telecommunications Rules, while continuing to educate the public and telemarketers about the list and its associated rules.
Wireless 911	New	S.O. 1	- In February 2009, the Commission directed carriers to enhance Canada's wireless 911 system. An improved service will enable emergency dispatchers to determine the location of a person who uses a cellphone to make a 911 emergency call with much greater accuracy, making Canadians safer. - The service will be implemented throughout the coming year consistent with the Commission's decision.
Revisions to wholesale services rates and terms	On-going	S.O. 1	- In <i>Revised regulatory framework for wholesale services and definition of essential service</i> (Telecom Decision 2008-17), the Commission revised its regulatory framework related to the wholesale services that large incumbent telephone companies must make available to their competitors. The Commission also phased out those services that no longer needed to be mandated to encourage investment in competitive telecommunications facilities. - In 2009–2010, the Commission expects to address a significant number of filings from incumbent telephone companies for adjustments to the rates and terms on which wholesale services are provided, as well as a number more general applications with respect to the revised framework.
A focused and modernized regulatory framework	On-going	S.O. 1	- A policy directive from the Government of Canada that came into effect on December 14, 2006, requires the Commission to meet its policy objectives by relying on market forces to the maximum extent possible. - In light of this new policy directive, the Commission created a three-year action plan to review various economic regulatory measures. This plan took effect in 2007–2008 and is current through 2009–2010. - The Commission also created a two-year action plan to review social and non-economic regulatory measures during 2008–2009 to 2009–2010. - The Commission has already reviewed a number of regulatory measures under the two plans. - In the coming year, the Commission will continue to review the regulations identified in the plan such as those related to consumer privacy safeguards, alternative-format billing, and telephone companies' service obligations.
Streamlining tariff approval and other processes	On-going	S.O. 1	- Over the last two years, the Commission has taken various steps to make its regulatory processes more efficient. For example, it removed the requirement for approval of over 50 % of the retail tariffs of incumbent local exchange carriers and streamlined the approval mechanisms for many other tariffs. - It also simplified the process for such filing requirements as service withdrawal and de-standardization. - During 2009–2010, the Commission will ensure that the newly implemented mechanisms are well understood, and will address applications from the telecommunications industry according to the new procedures.

Traffic management practices	On-going	S.O. 1	- On November 20, 2008, the Commission denied the Canadian Association of Internet Providers' request to have Bell Canada cease the traffic-shaping practices the company had adopted for its wholesale Gateway Access Service. - In its decision, the Commission announced that it would conduct a proceeding to address the extent to which Internet service providers can manage traffic on their networks in accordance with the <i>Telecommunications Act</i>. - In 2009, the Commission expects to issue a decision related to this proceeding.
Mediation	On-going	S.O. 1	- As the Commission moves toward greater reliance on market forces, the number of disputes among competitors is likely to increase. - The Commission has established a separate division within its Policy Development and Research sector to manage the arbitration processes of final-offer arbitration and expedited hearings for disputes falling under either the <i>Telecommunications Act</i> or the <i>Broadcasting Act</i>. - The CRTC will ensure that mediations and arbitrations are conducted in a timely manner. - Dispute-resolution processes will be predictable, transparent, fair and timely.
Industry analysis	On-going	S.O. 1	- The CRTC will continue to monitor the financial and market performance of the Canadian communications industry and its participants. As part of this monitoring activity, the Commission verifies regulatory compliance and ensures that broadcasters meet their licensing conditions. - In 2009–2010, the Commission will publish its <i>Communications Monitoring Report</i> for the broadcasting and telecommunications markets.
International Outreach	On-going	S.O. 1	- In 2009–2010, the CRTC will continue its international outreach and information-sharing initiatives in an effort to understand the evolving economic, social and regulatory landscape of global communications services, including broadcasting and telecommunications. - The CRTC will host the International Regulators' Forum as well as the Annual Conference of the <i>International Institute of Communications</i> to be held in Montreal in the fall of 2009.

1.2.4.3 Management priorities

Background

To help determine how it should evolve in the current era of convergence, the CRTC initiated a strategic exercise in 2007. The product of this exercise was the Future Direction initiative, whose scope extended not only to the entire Commission, but also to its stakeholders. The initiative established a new strategic intent for the CRTC: to foster a globally advanced, market-driven communications system that benefits all Canadians. It also better positions the Commission to deliver on three core business objectives: a strong Canadian presence on all platforms, healthy and competitive communications markets, and consumer accessibility and participation. Finally, three priority areas were identified for 2009–2010, which are presented in the following table.

Management Priority	Type	Links to Strategic Outcome	Description
A more focused regulatory approach	New	S.O. 1	• To improve the current regulatory framework so that it meets the needs of a converging and increasingly competitive market, the CRTC will: ○ develop new Rules of Procedure that combine those of broadcasting and of telecommunications ○ adopt streamlined telecommunications regulations related to economic and social matters ○ review its public-proceedings process to enhance efficiency, and ○ adopt more focused information requirements for the broadcasting and telecommunications industries.
Greater outreach to citizens and stakeholders	New	S.O. 1	• To focus efforts in order to increase Canadians' understanding of its activities and participation in its public processes, CRTC will: ○ engage and educate small industry groups; and ○ provide governments, stakeholders and the public with a better understanding of its mandate and activities.
An improved organization	On-going	S.O. 2	• As part of the Public Service renewal exercise, the CRTC will: ○ augment its ability to attract, develop and retain dynamic, skilled and effective employees ○ provide its employees with leadership-development and training opportunities ○ collaborate with unions to standardize jobs ○ establish job-rotation mechanisms and create professional-development opportunities for employees at various levels ○ develop and implement employee succession plans, and ○ create an in-house training program for employees to enhance their knowledge about the CRTC and the industries it regulates.

1.2.5 Risk Analysis

Operating environment

The communications industry has changed profoundly in recent years. New digital technologies have transformed how Canadians communicate, do business and inform and entertain themselves. As the broadcasting and telecommunications industries embrace new technologies and move toward convergence, they demand lighter regulations, faster processes and better service standards from the CRTC. At the same time, the Government of Canada has issued a policy that accelerates the deregulation of the Canadian telecommunications industry and increasingly emphasizes market forces.

Risks

- The current global economic uncertainty and its effects on the industry may:
 - produce financial concerns and takeovers
 - create difficulty for industry players in meeting certain regulatory obligations
 - affect the rollout of competition, and
 - cause an increase in the number of applications received by the CRTC, for example to amend licensing conditions, modify tariffs or effect a change in ownership.

Challenges

- The ever-changing technological and economic environment is a significant challenge for the CRTC. The Commission must keep pace with change and adjust the timing of its proceedings.
- The CRTC must manage its service delivery functions and increasing workload with a reduced budget.
- The CRTC expects that further dependence on market forces in telecommunications markets will increase the number of competitive disputes. The Commission will be called upon to resolve these disputes efficiently and effectively.
- Nearly 30 per cent of the CRTC's workforce is eligible to retire in the next five years.
- The lack of Administrative Monetary Penalties in the *Broadcasting and Telecommunications Acts* limits the CRTC's ability to ensure compliance with its regulation.

Opportunities

- The evolving world of communications is a source of opportunities for Canadian voices in the broadcasting system.
- With innovation comes increased choice and a more flexible and accessible system.
- The Canadian communications sector's evolution presents an opportunity to promote the development of high-quality Canadian communications content and infrastructure.

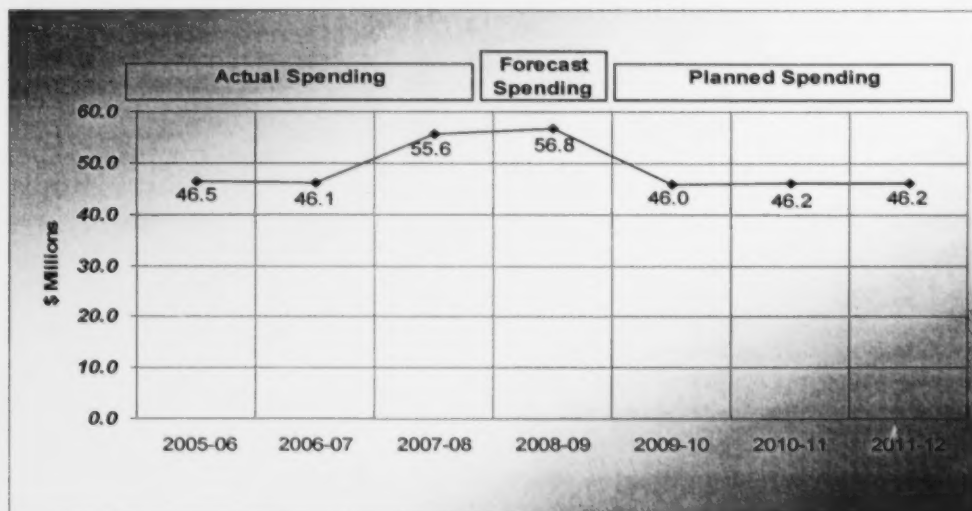
1.2.6 Expenditure Profile

For the 2009–2010 fiscal year, the CRTC plans to spend \$46 million to meet the expected results of its program activities and contribute to its strategic outcome. This amount represents a decrease of approximately 19 per cent, or \$10.8 million, compared to the 2008–2009 fiscal year. This change is primarily attributable to the end of temporary funding that the Commission received during the two previous fiscal years.

When compared to previous years, the total spending for fiscal years 2007–2008 (actual) and 2008–2009 (forecast) increased. The Commission received temporary funding to address an increased workload related to its legislative and regulatory responsibilities. The amounts for these years also include authorized operating budget carry-forward amounts and applicable Treasury Board vote transfers.

Details on the approved increases and the related billing impact for broadcasting and telecommunication industries are noted in Broadcasting Circular CRTC 2007-9 and Telecom Circular CRTC 2007-18 dated December 21, 2007. More information about these decisions is available online at the following address: <http://www.crtc.gc.ca/eng/archive/2007/c2007-9.htm>

The figure below illustrates the CRTC's spending trend from 2005–2006 to 2011–2012.



For the 2005–2006 to 2007–2008 periods, the total-spending figures include all Parliamentary appropriation and revenue sources, including: *Main Estimates*, *Supplementary Estimates*, Treasury Board vote transfers and revenues from Part I broadcasting licence fees and telecommunications fees. The figures also include operating-budget carry-forward adjustments.

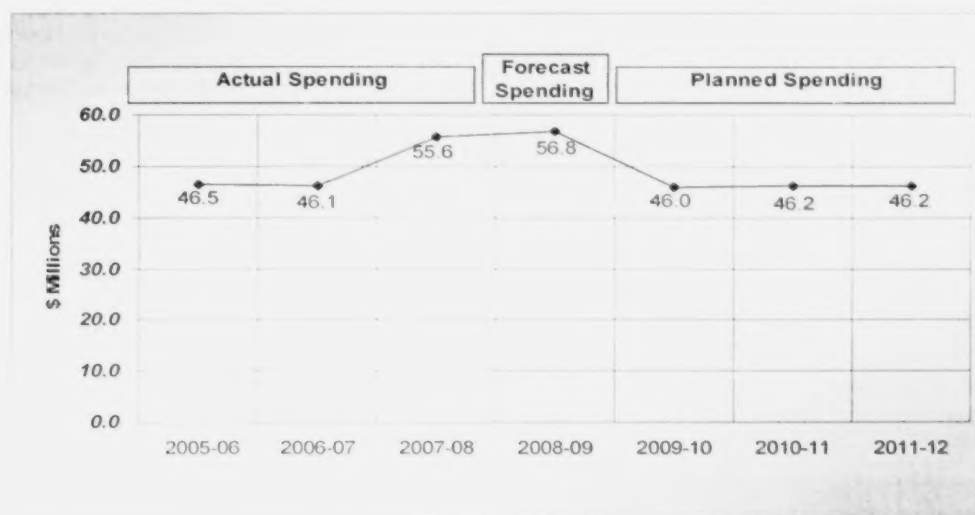
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For fiscal years 2009–2010 to 2011–2012, the total-spending figures correspond to the planned vote-netted revenues². Supplementary funding and carry-forward adjustments are unknown and therefore not reflected.

1.2.7 Voted and statutory items displayed in the Main Estimates

(\$ millions)			
Vote or statutory item	Truncated vote or statutory wording	2009-2010 Main Estimates	2008-2009 Main Estimates
45	Program expenditures	-	-
(S)	Contributions to employee benefit plans	5.4	5.5
	Total	5.4	5.5

Program by Activities - As per Main Estimates

(millions of dollars)	2009-2010 Main Estimates		
	Budgetary	Total	
		Less:	
		Revenues	
		credited to	
	Operating	the vote	
Internal Services	15.9	13.9	2.0
Canadian Broadcasting	16.7	14.9	1.8
Canadian Telecommunications	13.4	11.8	1.6
	46.0	40.6	5.4

² The CRTC is funded through fees recovered from the industries it regulates. The Commission has been granted vote-netting authority by Treasury Board and Parliament. Vote-netting is a way of funding selected government programs or activities whereby Parliament authorizes a department or agency to apply revenues towards costs directly incurred for specific activities. The Part I broadcasting licence fees and the telecommunications fees are used to finance the Commission's operating budget.

Section II – Analysis of Program Activities

2.1 Strategic Outcome 1 (S.O. 1)

Canadians have access to a wide variety of high-quality, Canadian-produced programming and to reliable, affordable and high-quality telecommunication services.

2.2 Program Activity: Canadian Broadcasting (S.O. 1)

2.2.1 Program Activity Expected Results

Program Activity: Canadian Broadcasting		
Financial resources (\$ millions)		
2009-2010	2010-2011	2011-2012
16.7	16.7	16.7
Human resources (Full-Time Equivalent—FTE)		
2009-2010	2010-2011	2011-2012
133	133	133
Program Activity Expected Results	Performance Indicators	Targets
The Canadian broadcasting system is made up of a variety of voices that display Canada's linguistic and cultural diversity.	Diversity within the broadcasting system is reflected in the ownership of undertakings, the availability of programming genres and the language of broadcast.	Maintain the current levels of diversity as measured in the CRTC's <i>Communications Monitoring Report</i> .
Canadians have access to the broadcasting system as licensees of new services, as audiences for high-quality programming and as participants in Commission proceedings.	The performance is measured by the number of applications received, the number of proceedings initiated by the CRTC, the number of interventions filed with the Commission and the number of Canadian broadcasting services licensed as a result of the proceedings.	Increase number of proceedings for new services by 10 per cent.

2.2.2 Program Activity Summary and Planning Highlights

Program Activity Summary: The CRTC has the authority to regulate and supervise all aspects of the Canadian broadcasting system. The CRTC derives this authority from the Broadcasting Act (S.C. 1991, c. 11, as amended).

The Commission regulates more than 2,000 broadcasters, including television, cable distribution, AM and FM radio, pay and specialty television, direct-to-home satellite, multipoint distribution systems, subscription television and pay-audio providers.

The CRTC holds public hearings, round-table discussions and informal forums to obtain input from the public and interested parties. The Commission also welcomes written comments.

In 2009–2010, the CRTC expects to process 1,000 broadcasting applications.

Planning Highlights: To achieve the program activity's expected results, the CRTC will:

- support the evolution of fully digital over-the-air services by 2011 through policy reviews and licensing activities
- analyze the converged communications industry and report its findings to the public
- draft new regulations to ensure the availability of high-quality Canadian programs and the accessibility of programming for all Canadians, regardless of their origin or condition, without creating obstacles to the broadcasting sector's economical development
- introduce new measures to reduce the amount of time required to process certain applications for new services, licence renewals and amendments, such as new frameworks for broadcasting distribution and discretionary programming
- collaborate with stakeholders to ensure that business and cultural challenges are successfully met
- implement, and assess the impact of, decisions from the "Diversity of Voices" public process
- monitor the ownership of local media in light of the Diversity of Voices policy
- study broadcasting's role in the new media environment
- arbitrate disputes between telecommunications and broadcasting competitors
- initiate broadcasting-ownership reporting mechanisms, and collect and review broadcasting-ownership filings
- review licence renewals
- monitor compliance with Canadian ownership regulations among broadcasting and telecommunications companies
- monitor compliance with licence requirements among radio, television and broadcasting distribution licensees
- examine applications for transfers of shares, control and acquisition of assets, and
- investigate programming complaints.

2.3 Program Activity: Canadian Telecommunications (S.O. 1)

2.3.1 Program Activity Expected Results

Program Activity: Canadian Telecommunications		
Financial resources (\$ millions)		
2009-2010	2010-2011	2011-2012
13.4	13.5	13.5
Human resources (Full-Time Equivalent—FTE)		
2009-2010	2010-2011	2011-2012
130	130	130
Program Activity Expected Results	Performance Indicators	Targets
Ensure that Canadians have access to reliable telephone and other high-quality telecommunications services at just and reasonable rates, while at the same time providing the service providers with incentives to operate more efficiently and to be more innovative in the provision of services.	The percentage of Canadians who have access to wire line and wireless services. The average percentage increase in Primary Exchange Service rates for a given year. The number of complaints we receive regarding quality of service issues.	Ensure that the proposed rates for telecommunications services meet pricing constraints imposed by the Commission. Monitor quality-of-service indicators to ensure that the service providers deliver high-quality services. Ensure there is no increase, from the current level, in the number of quality-of-service complaints.
Implementation of the policy objectives of the <i>Telecommunications Act</i> through an increased reliance on market forces.	Market statistics such as wireline telecommunications revenue market share by type of service provider (percent) and total telecommunications revenues by type of service provider (dollars).	The Commission's target is to remove regulatory obstacles to maximize the reliance on market forces, foster an efficient and competitive market, as well as to regulate only in cases where the market fails to fulfill the <i>Telecommunication Act's</i> objectives. Historically, competitor revenue growth has been approximately two per cent per year. The Commission's target is for the continuation of this trend.

2.3.2 Program Activity Summary and Planning Highlights

Program Activity Summary: The CRTC derives its regulatory authority over telecommunications from the Telecommunications Act (S.C. 1993, c. 38, as amended) and the Bell Canada Act (S.C. 1987, c.19, as amended). The CRTC has the authority to regulate and supervise Canada's telecommunications carriers and service providers.

The CRTC also has the authority to refrain from regulating particular services so long as its actions are consistent with the policy objectives of the *Telecommunications Act*, and do not unduly impair competition. Since the late 1990s, the Commission has refrained from regulating a significant portion of telecommunications services when there is sufficient free-market competition to protect the interests of Canadians.

In December 2006, the governor-in-council issued a policy direction to the Commission to rely on market forces to the maximum extent feasible as the means of achieving the *Telecommunications Act's* policy objectives.

The CRTC regulates the more than 80 telecommunications carriers in Canada.

The CRTC holds public processes, round-table discussions and informal forums to obtain input from the public and interested parties. The Commission also welcomes written comments.

In 2009–2010, the CRTC expects to process approximately 1000 applications from the telecommunications industry.

Planning Highlights: To achieve the program activity's expected results, the CRTC will:

- educate the public and telemarketers about the National Do Not Call List (DNCL) its associated telemarketing rules, investigate complaints and enforce the rules
- monitor the efficient deployment of enhancements to the 911 emergency system that will allow dispatchers to determine with much greater accuracy the location of a person making an emergency call using a cellphone
- ensure that the newly implemented tariff-approval mechanisms and other streamlined regulatory requirements are understood by the telecommunications industry, and efficiently address applications under these new rules
- track tariff-change notifications to ensure that telecommunications service providers meet pricing constraints
- facilitate dispute resolution between competitors through means such as mediation, written proceedings and the use of CRTC Interconnection Steering Committee
- monitor the number and nature of complaints its receives
- review the economic and social regulatory measures identified in the action plans established in Telecom Decisions 2007-51 and 2008-34
- consider the telecommunications industry's requests to refrain from regulating particular services, and
- address applications from incumbent telephone companies for adjustments to the rates and terms on which wholesale services are to be made available to competitors.

2.4 Strategic Outcome 2 (S.O. 2)

The following program activity supports all strategic outcomes within the CRTC.

2.5 Program Activity: Internal Services (S.O. 2)

2.5.1 Program Activity Expected Results

Program Activity: Internal Services*		
Financial resources (\$ millions)		
2009-2010	2010-2011	2011-2012
15.9	16	16
Human resources (Full-Time Equivalent—FTE)		
2009-2010	2010-2011	2011-2012
162	162	162

*Internal Services are a new program activity for all federal organizations. They are defined by the Treasury Board of Canada Secretariat as follows:

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: management and oversight, communications, legal, human resources management, financial management, information management, information technology, real property, materials, acquisitions, and travel and other administrative services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

2.5.2 Program Activity Summary and Planning Highlights

Program Activity Summary: This section is intended to establish expectations for Internal Services and monitor overall service performance of the Commission. The CRTC has a governance mechanism and procedures in place to ensure that services are delivered in a timely and cost-effective manner.

The coordination of all public processes and hearings is managed by the Secretary General, and falls under this program activity.

The CRTC already has a full schedule of public consultations and processes planned for 2009–2010. These hearing will focus on issues such as: radio licence applications and renewals, conventional television licence renewals, Internet traffic management practices, CBC/SRC licence renewals, the mandatory channel carriage under paragraph 9(1)h) of the *Broadcasting Act*, and community broadcasting television and radio policy consultations. During 2009–2010,

the Commission expects to issue decisions on hearings that took place in 2008–2009, such as new media, accessibility and official languages, and undertake follow-up activities.

As a federal quasi-judicial commission, the Commission relies on legal advice for its public processes, complaints-treatment methods and decisions. The CRTC's legal services provide input in all aspects of the Commission's work.

Strategic communications are essential to ensure that Canadians and stakeholders have access to timely, up-to-date and clear information. Communications services provide advice and support to all areas of the CRTC and manage any complaints. In a given year, these services respond to an average of more than 22,700 telephone calls and 23,000 letters of inquiries and complaints. With the advent of the National Do Not Call List, the Commission expects that correspondence will increase significantly during 2009–2010.

The CRTC strives to expand its international dialogue to better study the scope of the alliances and companies that are formed around the world, and to better understand the pressures that these new arrangements bring to bear on the Canadian market. For instance, the CRTC will host the International Institute of Communications conference in Montreal from October 24 to 27, 2009.

The CRTC will continue to attend conferences, and consult and meet with Canadian and international stakeholders, to gain a better understanding of the evolution of the communications environment.

Planning Highlights: To achieve the program activity's expected results, the CRTC will:

- educate the public on the Canadian transition to fully digital television by 2011
- accelerate its public-proceedings process
- adjust and measure progress on new tools, such as a streamlined website and intranet site, and new internal financial policies
- implement its human resources continuity framework and talent-development process
- recruit employees from outside the federal public service, including a 30 per cent target for visible minorities
- communicate with national, interdepartmental and international stakeholders to share information and best practices, and
- modernize employee desktop operating systems to increase software and databases interoperability and overall effectiveness.

2.6 Benefits to Canadians

Over the next three years, each of CRTC's three program activities will give Canadians access to a wide variety of high-quality, Canadian-produced programming, and to reliable, affordable and high-quality telecommunication services. More specifically, Canadians will realize the following economic, cultural and social benefits:

- access to high-quality Canadian programming
- affordable and diversified telecommunications services
- better safety as a result of an improved 911 emergency-response system that enables dispatchers to determine the location of a person who uses a cellphone to make a 911 call with much greater accuracy
- a healthy and diversified Canadian communications industry
- a flexible and forward looking regulatory framework that responds to evolving consumer needs and industry realities
- meaningful relationships with Canadian and international policy-makers to benefit from best practices
- timely and efficient complaints-resolution mechanisms;
- a diversity of voices within the Canadian communications industry
- an effective National Do Not Call List that enables Canadians to reduce the number of unsolicited telecommunications they receive
- clear rules on the mandating of wholesale services by incumbent telephone companies to enhance competition
- responsive actions to stakeholder concerns and reduced burden of the current systems, and
- a forum, through the Official Language Minority Community-CRTC Working Group, for the development and promotion of the bilingual character of Canada, maximizing community participation in the CRTC's public processes and enhancing the CRTC's decision-making process.

Section III – Supplementary Information

3.1 Tables

This information is available on the website of the Treasury Board of Canada Secretariat at the following address: www.tbs-sct.gc.ca/estsd-bddc/index-eng.asp

3.1.1 Sources of Respendable and Non-respendable Revenue

This information is available on the website of the Treasury Board of Canada Secretariat at the following address: www.tbs-sct.gc.ca/estsd-bddc/index-eng.asp

3.1.2 CRTC fees

This information is available on the website of the Treasury Board of Canada Secretariat at the following address: www.tbs-sct.gc.ca/estsd-bddc/index-eng.asp

3.2 Other Items of Interest

3.2.1 CRTC Members and Offices

A complete list of CRTC members is available at: www.crtc.gc.ca/eng/about/commissioners.htm

The list of CRTC contacts and offices can be found at: www.crtc.gc.ca/eng/contact.htm

3.2.2 Legislation and Associated Regulations

The list of legislation, statutes and regulations related to the CRTC can be found at: www.crtc.gc.ca/eng/statutes-lois.htm

3.2.3 Definitions

Definitions of terminology used in this document can be found at: <http://www.crtc.gc.ca/eng/glossaries-glossaires.htm>

